

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

CIVIL REVISION APPLICATION No 954 of 1998

For Approval and Signature:

Hon'ble MR.JUSTICE N.N.MATHUR

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1. Whether Reporters of Local Papers may be allowed to see the judgements?
2. To be referred to the Reporter or not?
3. Whether Their Lordships wish to see the fair copy of the judgement?
4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder?
5. Whether it is to be circulated to the Civil Judge?

LALJI PREMJI & SONS

Versus

GUJARAT WATER RESOURCES DEVELOPMENT CORPORATION

Appearance:

MR NV ANJARIA for Petitioner

Mr.Paresh Upadhyay for respondents

CORAM : MR.JUSTICE N.N.MATHUR

Date of decision: 21/01/99

ORAL JUDGEMENT

1. Rule. Mr.Paresh Upadhyay appears and waives service of rule on behalf of respondents. With the consent of learned advocates for parties matter is finally heard today.

2. The only contention raised by Mr.N.V.Anjaria, Ld.advocate for the petitioner is that the tribunal

committed error in granting the interest on the awarded amount with effect from 21.1.1997, i.e. the date on which the proceedings were transferred to the tribunal and not from the date of filing of the suit.

3. The necessary facts are that the petitioner was awarded a contract by the respondent-Corporation for construction of civil works on the tube-well in Mundra Taluka of Kutch District, and there was some dispute with respect to payment. Therefore suit was filed for recovery of Rs.1,58,847/-. The suit was registered as Special Civil Suit No.129/91 before the Civil Judge(SD) Kutch at Bhuj. On coming into force of Gujarat Public Works Contracts Disputes Arbitration Tribunal Act, the proceedings were transferred to the said tribunal on 20.1.1997. The tribunal by its judgment and award, dated 20.3.98 awarded Rs.1,08,882/- along with Rs.2,300/towards costs with running interest on the awarded amount at the rate of 12% with effect from 21.1.1997. Mr.Anjaria submits that the tribunal has committed error in awarding the interest from the date of institution of the proceedings before it. On the other hand, Mr.Paresh Upadhyay, appearing for the respondent-Corporation submitted that discretion is vested with the tribunal to award interest from the date it deem proper. Thus no interference is called for by this court in exercise of revisional powers under section 12 of Gujarat Public Works Contracts Disputes Arbitration Tribunal Act. I am unable to agree with Mr.Upadhyay. The arbitration proceedings are continuation of suit proceedings and as such tribunal was in error in considering that it could award interest only from the date of institution of proceedings before the tribunal. Thus, the petitioner is entitled to interest on the awarded amount from the date of institution of the suit.

4. In view of the aforesaid, this revision application is partly allowed and the judgment and award, dated 20.3.98 of the Tribunal is modified to the extent that the petitioner is entitled to simple interest on the awarded amount at the rate of 12% p.a. with effect from the date of filing of suit. Rule is partly made absolute to the aforesaid extent. No order as to costs.

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